



U.S. DEPARTMENT OF COMMERCE  
Foreign-Trade Zones Board  
(Docket 07-2012)

Foreign-Trade Zone 45 – Portland, Oregon  
Expansion of Manufacturing Authority  
Epson Portland, Inc.  
(Inkjet Ink Manufacturing)  
Portland, Oregon

An application has been submitted to the Foreign-Trade Zones Board (the Board) by the Port of Portland, grantee of FTZ 45, requesting an expansion of the scope of manufacturing authority approved within Subzone 45F, on behalf of Epson Portland, Inc. (EPI), Hillsboro, Oregon. The application was submitted pursuant to the provisions of the Foreign-Trade Zones Act, as amended (19 U.S.C. 81a-81u), and the regulations of the Board (15 CFR part 400). It was formally filed on January 19, 2012.

Subzone 45F was approved by the Board in 2005 at the EPI plant (16.6 acres) located at 3950 NW Alcock Place, Hillsboro, Oregon (Board Order 1406, 70 FR 55106, 9/20/2005). Activity at the facility (450 employees) includes manufacturing (injection molding, assembly, finishing), warehousing and distribution of inkjet printer cartridges.

The current request involves the production of ink for inkjet printer cartridges using foreign and domestic inputs, activity which the applicant is now requesting to conduct under zone procedures. Current production capacity is 9,000 barrels (210 kg per barrel) of ink per year. The finished product would be either inkjet ink (duty rate - 1.8%) or inkjet printer cartridges (duty-free). New material inputs sourced from abroad (representing 75% of the value of the finished inkjet ink) include potassium hydroxide, surfactants, 1,2 hexanediol, Tri-isopropanolamine, solvents, glycerin, triethylene glycol monobutyl ether, triethylene glycol, adipic acid, emulsifiers, disodium salt dihydrate,

printing ink colorants (black, cyan, brown, orange, violet, red green, magenta and other), de-foamers, solublizers, and biocides (duty rates range from duty-free to 6.5%). The scope otherwise would remain unchanged.

FTZ procedures could exempt EPI from customs duty payments on the additional foreign components used in export production. The company anticipates that some 55 percent of the plant's shipments will be exported, either as finished inkjet ink or in inkjet cartridges. On its domestic sales, EPI would be able to choose the duty rates during customs entry procedures that apply to inkjet ink (duty rate - 1.8%) or inkjet printer cartridges (duty-free) for the additional foreign inputs noted above. EPI would also be exempt from duty payments on foreign materials that become scrap or waste during the production process. The request indicates that the additional savings from FTZ procedures would help improve the plant's international competitiveness.

In accordance with the Board's regulations, Diane Finver of the FTZ Staff is designated examiner to evaluate and analyze the facts and information presented in the application and case record and to report findings and recommendations to the Board.

Public comment is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is ***[insert 60 days from date of publication]***. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period to ***[insert 75 days from date of publication]***.

A copy of the application will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 2111, U.S. Department of

Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Diane Finver at [Diane.Finver@trade.gov](mailto:Diane.Finver@trade.gov) (202) 482-1367.

Dated: January 20, 2012

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Andrew McGilvray  
Executive Secretary

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